

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE)	
COMMISSION OF THE APPLICATION OF THE)	
FUEL ADJUSTMENT CLAUSE OF EAST)	CASE NO. 96-522-B
KENTUCKY POWER COOPERATIVE, INC. FROM)	
MAY 1, 1997 TO OCTOBER 31, 1997)	

O R D E R

Pursuant to Commission Regulation 807 KAR 5:056, the Commission on December 11, 1997 established this case to review and evaluate the operation of the fuel adjustment clause ("FAC") of East Kentucky Power Cooperative, Inc. ("East Kentucky") for the 6 months ended October 31, 1997.

As part of this review, East Kentucky, pursuant to Commission Order, submitted certain information concerning its compliance with Commission Regulation 807 KAR 5:056. A public hearing was held on February 19, 1998.

The Commission has previously established East Kentucky's base fuel cost at 12.48 mills per Kwh.¹ A review of East Kentucky's monthly fuel clause filings shows that the actual fuel cost incurred for the 6-month period under review ranged from a low of 11.76 mills in July 1997 to a high of 12.92 mills in September 1997, with a 6-month average of 12.19 mills.

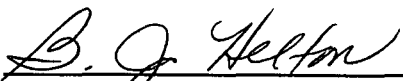
¹ Case No. 96-522, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 1994 to October 31, 1996, Order dated August 20, 1997.


The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds no evidence of improper calculation or application of East Kentucky's FAC charges or improper fuel procurement practices.

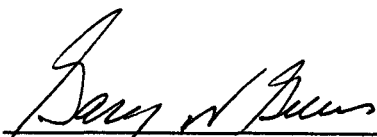
IT IS THEREFORE ORDERED that the charges and credits billed by East Kentucky through its FAC for the period May 1, 1997 to October 31, 1997 are approved.

Done at Frankfort, Kentucky, this 30th day of March, 1998.

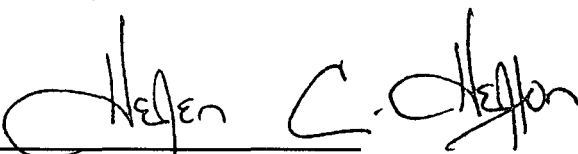
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director